



HARBOR ISLAND UTILITIES, INC.

187493
Post Office Box 1028
Beaufort, S.C. 29901-1028

(843) 982-0405 fax: 982-0707

July 16, 2007

Dear Harbor Island Utilities Customer:

Last year and again this year, I met with the Harbor Island Owners Association Board and informed them that we would be applying to the Public Service Commission of S.C. (PSCSC) for a rate increase. The increase is necessary due to increased cost of operations, including increases in the cost of water and two major sewer projects.

Those projects included installing tertiary effluent filters to our sewer system to improve the quality of water we pump to Fripp Island for disposal on their golf course. In addition, our effluent line going to Fripp Island used to hang from the old bridge crossing Johnson Creek. In 2005, the S.C. Department of Transportation removed the old bridge and constructed a new one. The SCDOT required us to relocate our effluent line, which we did by directionally boring under Johnson Creek.

We have submitted the request for a rate increase and the enclosed notice summarizes our request. The majority of the increase is in the sewer rate, as expected by the above-mentioned capital improvement projects.

I plan to attend the Harbor Island Owners Association meeting on July 23, 2007, to discuss this rate request with the Board.

While no one like rates to increase, it is a realistic necessity, and we have worked hard to minimize costs. If you have any questions about our request, please write or call us at (843) 982-0405.

Sincerely,

Robert G. Gross

President

Enclosure
PSCSC Notice

373 copies
mailed to
customers
7/16/07

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2007-243-W/S

ARBOR ISLAND UTILITIES, INC. – Application for Approval of a New Schedule of Rates and Charges for Water and Sewer Service

Arbor Island Utilities, Inc. (“Utility” or “HIU”) has filed an Application with the Public Service Commission of South Carolina (“the Commission”) for approval of a new schedule of rates and charges for water and sewer services provided to residential and commercial customers within the Utility’s service area, pursuant to the Commission’s rules and regulations and S.C. Code Ann. § 5-5-240 (Supp. 2006).

The Application reveals that the “Utility” is presently providing service to four hundred thirty-nine (439) residential and commercial customers as of October 2006, under a schedule of rates and charges approved by the Commission in Order No. 2002-866, Docket No. 2002-239-W/S. According to the Application, HIU has applied for a rate increase due to increased operating expenses, required installation of tertiary effluent filter and required effluent line replacement along U. S. Highway 21 due to a bridge replacement constructed by S.C. Department of Transportation.

THE PRESENT AND PROPOSED RATES AND CHARGES ARE SET FORTH BELOW:

| <u>USER FEES - WATER</u> | | |
|--------------------------|------------------------------|--------------------|
| | <u>Current</u> | <u>Proposed</u> |
| <u>Residential</u> | | |
| 3/4" meter | Base \$16.12/month | \$19.00/month |
| 1" meter | Commodity \$3.60/1,000 gals. | \$4.12/1,000 gals |
| | Base \$18.00/month | \$21.00/month |
| | Commodity \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| | Base \$24.00/month | \$26.50/month |
| | Commodity \$3.60/1,000 gals. | \$4.12/1,000 gals. |

| <u>Commercial Water Service</u> | | |
|---------------------------------|-----------|--------------------|
| | Base | \$21.75/month |
| 3/4" meter | Commodity | \$3.60/1,000 gals. |
| 1" meter | Base | \$24.25/month |
| | Commodity | \$3.60/1,000 gals |
| 1 1/2" meter | Base | \$32.00/month |
| | Commodity | \$3.60/1,000 gals. |

| <u>Landscape Irrigation</u> | | |
|-----------------------------|-----------|--------------------|
| 3/4" meter | Base | \$16.12/month |
| | Commodity | \$3.60/1,000 gals |
| 1" meter | Base | \$18.00/month |
| | Commodity | \$3.60/1,000 gals |
| 1 1/2" meter | Base | \$24.00/month |
| | Commodity | \$3.60/1,000 gals. |

| <u>Meters Used for Multiple Residential Units</u> | | |
|---|-------------------|------------------|
| Minimum monthly charge | \$16.12/unit | \$19.00/unit |
| Commodity charge | \$3.60/1,000 gals | \$4.12/1,000 gal |

| <u>FIRE HYDRANT USAGE</u> | | |
|---------------------------|---------|------------------|
| Installation Charge | \$50.00 | \$65.00 |
| Advance Payment | \$50.00 | \$75.00 |
| Cost per 1,000 gallons | \$ 3.60 | \$4.25/1,000 gal |

| <u>RECONNECTION FEES</u> | | |
|--|----------|----------|
| Disconnect/Reconnect at Customer's Request | \$50.00* | \$50.00* |
| Disconnect/Reconnect due to Nonpayment | \$50.00* | \$50.00* |

| <u>TAP FEES</u> | | |
|---|---------------|-----------------|
| <u>Single Units</u> | | |
| 3/4" meter | \$687.00 | \$1,200.00 |
| 1" meter | \$1,037.00 | \$1,600.00 |
| 1 1/2" meter | \$1,187.00 | \$1,800.00 |
| 2" meter | \$2,187.00 | \$2,700.00 |
| <u>Master Meter for Multiple Units</u> | | |
| 1" – 2" (plus cost of meter installation for proposed rate) | \$687.00/unit | \$1,200.00/unit |
| Greater than 2" (plus cost of meter installation | \$500.00/unit | \$ 600.00/unit |

ADVANCE PAYMENT

For Water Used During Construction (paid with tap fees)
\$100.00* \$ 100.00*

USER FEES – SEWER

| | | |
|------------------------------------|---------|---------|
| Residential | \$27.50 | \$39.00 |
| Commercial (min. for 10,500 gals.) | \$27.50 | \$39.00 |
| (per 1,000 gal. excess usage) | \$1.50 | \$ 1.50 |

(Sewerage flow is determined by using SCDHEC wastewater using SCDHEC wastewater unit load allocation)

TAP FEES – SEWER

| | | |
|---|---------------|---------------|
| Residential | \$500.00* | \$500.00* |
| Trailer Park | \$250.00/pad* | \$250.00/pad* |
| Commercial: Water supplied through 1"-1½" meter | \$850.00* | \$850.00* |

There are three additional changes to the rates that are currently approved by the PSCSC. The changes are:

1. Administrative set-up fee for new customers \$25.00
2. Pass through rate increases from Beaufort-Jasper Water and Sewer Authority (BJWSA) and Fripp Island Public Service District (FIPSD) after a 60-day notice to PSCSC and 30-day notice to customers At Cost
3. Authority to recover administrative and legal fees from delinquent accounts At Cost

*No change to previously approved rates

A copy of the Utility's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P.O. Drawer 11649, Columbia, South Carolina 29211. Additionally, Harbor Island Utilities, Inc.'s Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina on Wednesday, November 7, 2007, at 10:30 a.m.

Any person who wishes to participate in this right of cross-examination, should file a Petition with the Commission's Rules of Practice and Procedure, 2007, and indicate the amount of time requested. Please include an email address for receipt of future Petition to Intervene. *Please refer to Docket No. 2007-243-WS.*

Any person who wishes to testify and present evidence, should notify the Docketing Department in writing, Regulatory Staff, at Post Office Box 11263 and J. Thomas Mikell, Esquire, Post Office Box 11263, Columbia, South Carolina 29211 on or before August 6, 2007, and indicate the presentation. *Please refer to Docket No. 2007-243-WS.*

Any person who wishes to request that a public hearing be held in his or her county of residence, the utility's customers should notify, in writing, the address below, the Office of Regulatory Affairs, Columbia, South Carolina 29211 and J. Thomas Mikell, Esquire, Post Office Box 11263, Beaufort, South Carolina 29901 on or before August 6, 2007. *Please refer to Docket No. 2007-243-WS.*

Any person, who wishes to be notified of a public hearing, does not wish to present testimony or be notified of the Docketing Department in writing, should notify the Docketing Department in writing on or before August 6, 2007. *Please refer to Docket No. 2007-243-WS.*

PLEASE TAKE NOTICE: Any person who wishes to present comments considered as part of the official record, should present such comments, in person, to the Commission on or before August 6, 2007.

Persons seeking information about the Commission's proceedings should contact the Commission in Columbia at 803-896-5100.

Public Service Commission
Attn: Docketing Department
Post Office Drawer 11263
Columbia SC 29211

7/6/07

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2007-243-W/S

HARBOR ISLAND UTILITIES, INC. – Application for Approval of a New Schedule of Rates and Charges for Water and Sewer Service

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The Application reveals that the "Utility" is presently providing service to four hundred thirty-nine (439) residential and commercial customers as of October 31, 2006, under a schedule of rates and charges approved by the Commission in Order No. 2002-866, Docket No. 2002-239-W/S. According to the Application, HIU has applied for a rate increase due to increased operating expenses, required installation of tertiary effluent filter and required effluent line replacement along U. S. Highway 21 due to a bridge replacement constructed by the S.C. Department of Transportation.

THE PRESENT AND PROPOSED RATES AND CHARGES ARE SET FORTH BELOW:

| | | <u>USER FEES - WATER</u> | |
|---|-----------|--------------------------|----------------------|
| | | <u>Current</u> | <u>Proposed</u> |
| <u>Residential</u> | | | |
| $\frac{3}{4}$ " meter | Base | \$16.12/month | \$19.00/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| 1" meter | Base | \$18.00/month | \$21.00/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| 1 $\frac{1}{2}$ " meter | Base | \$24.00/month | \$26.50/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| <u>Commercial Water Service</u> | | | |
| $\frac{3}{4}$ " meter | Base | \$21.75/month | \$24.00/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| 1" meter | Base | \$24.25/month | \$27.00/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| 1 $\frac{1}{2}$ " meter | Base | \$32.00/month | \$33.00/month |
| | Commodity | \$3.60/1,000 gals. | \$4.12/1,000 gals. |
| <u>Landscape Irrigation</u> | | | |
| $\frac{3}{4}$ " meter | Base | \$16.12/month | \$19.00/month |
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| 2" meter | \$2,187.00 | \$2,700.00 |

| | | |
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| <u>USER FEES - SEWER</u> | | |
|--------------------------|--|---|
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| Commercial | \$27.50 min. for 10,500 gals. \$ 1.50 per 1,000 gal excess usage (Sewerage flow is determined by using SCDHEC wastewater unit load allocation) | \$39.00 min. for 10,500 gallons \$ 1.50 per 1,000 gal. excess usage (Sewerage flow is determined by using SCDHEC wastewater unit load allocation) |

| <u>TAP FEES - SEWER</u> | | |
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| Residential | \$500.00* | \$500.00* |
| Trailer Park | \$250.00/pad* | \$250.00/pad* |
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In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina on **Wednesday, November 7, 2007, at 10:30 a.m.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before **August 6, 2007**, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2007-243-W/S.*

Any person who wishes to testify and present evidence at the hearing should notify the Docketing Department in writing at the address below, the Office of Regulatory Staff, at Post Office Box 11263, Columbia, South Carolina 29211 and J. Thomas Mikell, Esquire, Post Office Box 1727, Beaufort, South Carolina 29901 on or before **August 6, 2007**, and indicate the amount of time required for the presentation. *Please refer to Docket No. 2007-243-W/S.*

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers should notify, in writing, the Docketing Department at the address below, the Office of Regulatory Staff at Post Office Box 11263, Columbia, South Carolina 29211 and J. Thomas Mikell, Esquire, Post Office Box 1727, Beaufort, South Carolina 29901 on or before **September 3, 2007**. *Please refer to Docket No. 2007-243-W/S.*

Any person, who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before **August 6, 2007**. *Please refer to Docket No. 2007-243-W/S.*

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia SC 29211